

Message Text

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TAGS: UNDP EAID

SUBJECT: UNDP 22ND GOVERNING COUNCIL - BUDGET COMMITTEE DELIBERATIONS

(ITEM 10)

1. BUDGETARY AND FINANCE COMMITTEE COMPLETED ITS WORK JULY 2. REPORT TO PLENARY WAS APPROVED JULY 5. HIGHLIGHTS OF COMMITTEES WORK WAS AS FOLLOWS:

A) AGENDA ITEM 10(B) - EXPERT STANDARD COST PROCEDURE: AFTER CONSIDERABLE INFORMAL NEGOTIATIONS, THE BUDGETARY AND FINANCE COMMITTEE RECOMMENDED THE ADOPTION ON AN EXPERIMENTAL BASIS OF A NEW PROCEDURE FOR CHARGING THE COSTS OF EXPERTS. THE NEW PROCEDURE WILL PERMIT BUDGETING ON A STANDARD COST BASIS BUT WILL AVOID THE REQUIREMENT FOR AN EXPERT VARIANCE ACCOUNT IN FUTURE BY CHARGING THE COSTS OF EXPERTS TO PROJECT BUDGETS ON AN ACTUAL BASIS. THERE WAS A HOPE THAT THE NEW PROCEDURE WOULD AS WELL WORK TO ARREST AND REDUCE THE SPIRALING COST OF EXPERTS. TOWARD THIS END THE ADMINISTRATOR IS REQUESTED TO EXAMINE, IN CONSULTATION WITH THE INTERNATIONAL CIVIL SERVICE COMMISSION IF POSSIBLE, THE FEASIBILITY OF INTRODUCING A NEW SYSTEM OF PAYMENTS TO EXPERTS ON A "LUMP SUM" BASIS AS OPPOSED TO THE PRESENT DIRECT LINKAGE WITH UN SALARY GRADES.

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B) AGENDA ITEM 10 (C) - CUSTODIANSHIP OF UNDP FUNDS: AFTR

A BRIEF DISCUSSION IN WHICH MANY DELEGATIONS EXPRESSED CONCERN AT THE LACK OF PROGRESS WHICH HAD BEEN MADE IN IMPLEMENTING THE DECISION OF THE 20TH GC GRANTING THE ADMINISTRATOR GREATER AUTHORITY IN THE MANAGEMENT OF UNDP FUNDS (PRESENTLY MANAGED BY THE UN), THE COMMITTEE REQUESTED THE ADMINISTRATOR TO REPORT FURTHER ON THE SUBJECT TO THE 23RD GOVERNING COUNCIL, INCLUDING AN ACCOUNT OF ACABQ VIEWS.

C) AGENDA ITEM 10(D) - REDUCTION OF 1976 BUDGET ESTIMATES ; AGENDA ITEM 10(E) BUDGET ESTIMATES FOR 1977; AGENDA ITEM (F) - OUTLINE OF LONG-TERM STAFFING PROPOSALS FOR THE SECOND IPF CYCLE: THESE CLOSELY RELATED ITEMS WERE TAKEN UP TOGETHER BY THE COMMITTEE. THE ADMINISTRATOR'S REVISED ADMINISTRATIVE AND PROGRAM SUPPORT BUDGET FOR 1976 (REDUCED BY \$2 MILLION TO \$57,578,900) WAS APPROVED AFTER THE COMMITTEE NOTED WITH SATISFACTION WHAT COULD BE ACHIEVED BY AN ALL-OUT EFFORT TO ACHIEVE ECONOMIES. WITH REGARD TO THE ADMINISTRATOR'S PROPOSED ESTIMATES FOR 1977 (\$59,942,900) THE COMMITTEE RECOMMENDED THAT ONLY FUNDS FOR THE FIRST THREE MONTHS OF 1977 (\$20 MILLION) BE APPROVED PENDING THE SUBMISSION OF A MORE COMPLETE AND DETAILED BUDGET PRESENTATION TO THE TWENTY-THIRD GOVERNING COUNCIL. THIS DECISION FOLLOWED AN APPROACH SUGGESTED BY ACABQ AND RESULTED FROM THE FACT THAT THE ADMINISTRATOR'S CURRENT PROPOSAL WAS NOT IN A PROGRAM-BUDGET FORMAT AND DID NOT REFLECT THE RESULTS OF THE VARIOUS MANAGEMENT AND STAFFING REVIEWS CURRENTLY UNDERWAY. AFTER CONSIDERABLE DISCUSSION IT WAS AGREED THE ADMINISTRATOR'S PROPOSALS ON THE NUMBER OF SECTORAL ADVISORS TO BE FUNDED IN 1977 SHOULD BE ACCEPTED ON ECONOMY GROUNDS EVEN THOUGH LOWER THAN THE NUMBER OF POSTS RECOMMENDED BY UNIDO AND FAO. THE ADMINISTRATOR'S LONG TERM STAFFING PROJECTIONS WHICH FORESEE A GREATER UTILIZATION OF LOCALLY HIRED STAFF, INCLUDING PROFESSIONALS, WAS NOTED.

D) AGENDA ITEM 10 (H) OVERHEAD COSTS AND RELATED QUESTIONS: DISCUSSION OF THIS ITEM CENTERED ALMOST EXCLUSIVELY ON THE REQUEST OF ITU FOR A SPECIAL OVERHEAD SUPPLEMENTAL REIMBURSEMENT OF \$136,733 IN RESPECT OF 1974. ALTHOUGH STRONGLY OPPOSED BY CANADA AND UNCLASSIFIED

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TO A DEGREE BY UK A CLEAR MAJORITY FAVORED THE ITU PROPOSAL. THE US TOOK NO POSITION ON THE QUESTION. THE RECOMMENDATION OF THE B&F COMMITTEE WAS : QUOTE: THE BUDGETARY AND FINANCE COMMITTEE RECOMMENDS THAT THE GOVERNING COUNCIL:

(A) TAKE NOTE OF DOCUMENTS DP/200 AND ADD. 1 AND 2 AND DP/207;

(B) AUTHORIZE THE ADMINISTRATOR TO REIMBURSE AN AMOUNT OF \$136,733 TO THE ITU REPRESENTING A

SPECIAL OVERHEAD REIMBURSEMENT IN RESPECT OF THE YEAR

1974;

(C) DECIDE THAT THE GRANTING OF THE ADDITIONAL OVERHEAD TO ITU SHOULD BE CONSIDERED AS AN EXCEPTIONAL CASE IN THE PARTICULAR CIRCUMSTANCES AND SHOULD NOT BE VIEWED AS A PRECEDENT WHEBY IT WOULD PREJUDICE FUTURE OVERHEAD PAYMENTS TO SMALL AGENCIES NOR A REVIEW OF THE QUESTION OF AGENCY OVERHEAD COSTS. END QUOTE

E) AGANDA ITEM (10 (I) - GLOBAL PROCUREMENT AS A RESULT OF DETERMINED OPPOSIION BY FRANCE,ITALY AND A NUMBER OF LARGE

EXECUTING AGENCIES, THE ADMINISTRATOR'S PROPOSAL TO ESTABLISH A SMALL CENTRAL PROCUREMENT FACILITY ON A PILOT BASIS WAS DEFERRED UNTIL THE 23RD SESSION. AS A RESULT OF THIS SIDETRACKING OF THE PROPOSAL, ITS FUTURE IS NOT BRIGHT.

F) AGENDA ITEM 10 (J) FINANCIAL ARRANGEMENTS FOR PARTICIPATION OF REPRESENTIATIVES OF AFRICAN LIBERATION MOVEMENTS RECOGNIZED BY OAU IN MEETINGS OF THE GOVERNING COUNCIL THE B&F COMMITTEE RECOMMENDED \$50,000 BE ALLOCATED FOR TRAVEL AND SUBSISTENCE OF REPRESENTATIVES OF AFRICAN LIBERATION MOVEMENTS RECOGNIZED BY THE OAU PARTICIPATING IN THE 23RD AND 24TH GOVERNING COUNCIL SESSIONS.

G) ITEM 10 (A) - (FINANCIAL SITUATION 1972-1976) WAS TAKEN UP DIRECTLY BY THE PLENARY (SEE GENEVA 4862, 5017 AND 5292); ITEM 10 (G) (COST SHARING ARANGEMENTS) REPORTED ON SEPARATELY (GENEVA 5287); ITEM 12 (G) (UNFPA ADMINISTRATIVE BUDGET FOR 1977) REPORTED ON SEPARATELY (GENEVA 4940)DALE

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